four zones namely Paralkote and Kondagaon in Madhya Pradesh and Umerkote and Malkangiri in Orissa. The assets and institutions of Paralkote and Kondagaon Zones were handed over to the Government of Madhya Pradesh in 1985 & 1986. All the assets and institutions in Umerkote Zone except for one hospital, have been handed over to the Government of Orissa in 1985. As regards the 2nd Zone in Orissa i.e. Malkangiri Zone, educational institutions, veterinary institutions and minor irrigation schemes have been handed over to the Government of Orissa. Instructions have been issued by the Government of Orissa to respective Departments to take over the remaining assets created by the Dandakaranya Project.

(b) The hospitals set up by the Project have not been closed. Medicare for the few employees still on the rolls of the Project are being looked after by these hospitals.

(c) The employees of the Project are being declared surplus and redeployed in other Government Organisations as per prescribed procedure.

Relaxation in bank credit in Punjab

883. SHRI HARVENDRA SINGH HANSPAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has recently announced relaxation in the matter of extending bank credit to the borrowers in Punjab;

(b) if so, what are the details of the announcement made by the RBI in this regard; and

(c) to what extent the industries have been benefited in Punjab by this decision?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) Taking into consideration the difficulties being faced by borrowers in Punjab, Reserve Bank of India (RBI) has recently announced the following relaxations:

(i) Enhancement of loaning powers of branch and controlling office levels so that they can sanction on merits additional limits to the extent of 50% of the existing working capital limits subject to a ceiling of Rs. 20 lakhs. Enhanced limits have to be cleared within two weeks by higher authorities.

(ii) Margin of 45 per cent reduced to 30 per cent in respect of advances to wheat mills processing units.

(iii) relaxations in terms and conditions of sanction including relaxation in norms for inventories and receivables.

(iv) introduction of courier service for speedy clearance of instrument tendered.

(v) idustries/traders to be sanctioned higher bill discounting limits within the overall permissible bank finance and acceptance credit/letter of credit limits, Margin on bills ordinarily not to exceed 10%.

(vi) Debt equity ratio be relaxed while considering proposals for term credits.

(vii) Standing Committees to be set up in important centres.

The existing and the new concessions are to continue upto 31.3.1990.

(c) It has been reported that out of 66248 units eligible for various concessions under RBI guidelines, concessions have been actually extended to 41857 units by way of increasing limits, reduction in margin increase in bill retention period and re-schedulement of terms loan instalment period.